Applicant requests that the correction of the drawing defects set out in the Notice to Correct Drawings be held in abeyance until the issue of allowability of the claims has been resolved. Applicant further requests that the Examiner makes a request for drawing corrections when the application is allowed.

Claims 1-6, 9-15, 18-21, 28-35, and 38 stand rejected.

Claims 7, 8, 16, 17, 22-27, 36, and 37 are objected to.

I. Rejections under 35 USC §102(a)

Claims 1, 2, 19, 20 and 21 are rejected as being anticipated by US Patent No. 5,611,052 to Dykstra et al. under 35 USC §102(a).

A. The invention

The invention addresses inefficiencies in the process of obtaining a loan. Aspects of the invention include methods and systems for automating processing of loan applications, placing these loan applications up for bid by a number of potential lenders, and tracking these loan applications and their corresponding bids. Each party to the loan (for example, the lender (lending institution, loan maker, loan purchaser, pg. 17, lns. 21-23) and the broker (loan originator, pg. 15, lns. 8-11)) uses its role specific client device (lender station, broker station, etc.) to submit a loan profile (pg. 8, lns. 7-8; pg. 15, ln. 20 - pg. 16, ln. 2), search for loan applications that meet the lender specified criteria (pg. 18, lns. 1-8), submit bids on particular loan applications (pg. 18, lns. 1-8), and receive, review, accept or reject these bids (pg. 15, ln. 20 - pg. 16, ln. 2; pg. 18, ln. 3).

B. Prior Art

Dykstra is directed toward automating the lender's process for credit evaluation and loan processing (C1, L65-67). Dykstra addresses the problem of automating the lender's investigation and approval of loan applications (C1, L22-32). Dykstra is used when a customer requests that a Dykstra user finance a loan. The Dykstra user communicates with a computer and selects a lender (specified by the customer, or one

preferred by the user). The user provides the customer's loan information to the computer. The computer automatically obtains the customer's credit report. The customer's credit and loan information is compiled into a scoring model that is compared with a lender-selected loan approval matrix. Based on this comparison, the customer's loan is approved, denied, or referred to the lender for additional handling (C4, L12-65). Dykstra automates the loan approval processes. Dykstra is "an automated credit evaluation and loan processing system that eliminates human handling and processing of financial information, credit scoring, and loan approval" (C7, L44-50).

Dykstra is an example of a uniform credit scoring and automatic generation of loan application documents that is mentioned in the application at pg. 3, lns. 15-17.

Dykstra does not disclose that any party to a loan (the Dykstra user, customer, or lender) can search and modify the database depending on the party's role in the transaction. The Dykstra user only enters information into the database. The results of the evaluation of the application so entered are sent to the user through the user's display and by FAX and to the lender by FAX. Nothing in Dykstra discloses the user directly searching or modifying the database after initial entry of the loan information (although the Dykstra loan approval system automatically accesses a number of databases as a result of the user's entry of information).

Dykstra does not disclose maintenance of a database of pending loan applications. Each application is analyzed and the result of the analysis FAXed to the lender and the Dykstra user. Each loan application is processed separately. If the analysis is favorable, the loan application and credit report are FAXed to the lender for further processing. Nothing in Dykstra maintains a database of pending loan applications. Each is separately evaluated and the results of the evaluation is FAXed to the lender.

C. Analysis

Anticipation requires that there be strict identity between the claimed invention and the prior art reference. The prior art reference must generally contain all of the essential elements of the claimed invention.

Applicant believes that the office action has not made out a prima facie case for anticipation. The office action asserts that Dykstra discloses maintaining a database, status information, and searching and modifying the database by requests to a server. However, Dykstra does not disclose "wherein each party to a loan can search and modify that database consistent with their role in the transaction by requests to said server from a client device identified with their role." Nothing in Dykstra teaches that the Dykstra user, customer, or lender can search and/or modify the database after the customer information is input.

Thus, applicant believes that Dykstra does not contain all of the essential elements of the invention claimed by **claims 1** and **19**. **Claim 2** depends on and further limits claim 1 that applicant believes to be not anticipated. Thus, applicant also believes claim 2 to not be anticipated. **Claims 20** and **21** depend on and further limit claim 19 that applicant believes to be not anticipated. Thus, applicant also believes claims 20 and 21 to not be anticipated.

II. Rejections under 35 USC §103(a)

Claims 3-6, 9-15, 18, 28-35, and 38 stand rejected under 35 USC §103 as being unpatentable Dykstra. This rejection is respectfully traversed in view of the following arguments.

Claims 1 and 19 are patentable over Dykstra.

A. The Invention

The invention addresses inefficiencies in the process of obtaining a loan. Aspects of the invention include methods and systems for automating processing of loan applications, placing these loan applications up for bid by a number of potential lenders, and tracking these loan applications and their corresponding bids. Each party to the loan (for example, the lender (lending institution, loan maker, loan purchaser, pg. 17, lns. 21-23), the broker (loan originator, pg. 15, lns. 8-11)) uses its role specific client device (lender station, broker station, etc.) to submit a loan profile (pg. 8, lns. 7-8; pg. 15, ln. 20 - pg. 16, ln. 2), search for loan applications that meet the lender specified criteria (pg. 18,

lns. 1-8), submit bids on particular loan applications (pg. 18, lns. 1-8), and receive, review, accept or reject these bids (pg. 15, ln. 20 - pg. 16, ln. 2; pg. 18, ln. 3). Thus, for example but without limitation, the invention enables a mortgage broker to place a loan application up for bid, enables lenders to search for applications meeting their criteria, enables lenders to bid on the application, and enables the broker to reject or accept the bid.

The inventive method includes the step of maintaining a database of pending loan applications and their statuses. Parties to the loan process (loan brokers, lenders, etc.) can search and modify the database during the life of the loan application subject to the role of the party.

B. Prior Art

Applicant is not aware of any prior art that shows or suggests maintaining a database of pending loan applications and their statuses where each party to a loan can search and modify that database consistent with their role in the transaction from client devices identified with their role. Nor does the prior art show or suggest the advantages of the present invention:

a. Automates the loan application process and bidding process.

b. Provides real-time bidding and acceptance of bids for the loan applications as each party to the bidding transaction has access to the database.

c. Provides lender's with the capability to search for loan applications that meet the lender's criteria.

d. Provides real-time loan trading capabilities.

e. Provides real-time acknowledgement of the acceptance of a bid.

f. Drastically reduces the paperwork involved with evaluating loan applications, lender rates, and property appraisal.

Because the key features of the invention are not shown nor suggested by the prior art; and because the advantages of the invention are not suggested, the present invention cannot be considered as obvious.

Dykstra — Dykstra is directed toward automating the lender's process for credit evaluation and loan processing (C1, L65-67). Dykstra addresses the problem of automating the lender's investigation and approval of loan applications (C1, L22-32). Dykstra is used when a customer requests that a Dykstra user finance a loan. The Dykstra user communicates with a computer and selects a lender (specified by the customer, or one preferred by the user). The user provides the customer's loan information to the computer. The computer automatically obtains the customer's credit report. The customer's credit and loan information is compiled into a scoring model that is compared with a lender-selected loan approval matrix. Based on this comparison, the customer's loan is approved, denied, or referred to the lender for additional handling (C4, L12-65). Dykstra automates the loan approval processes. Dykstra is "an automated credit evaluation and loan processing system that eliminates human handling and processing of financial information, credit scoring, and loan approval" (C7, L44-50).

Dykstra is an example of a uniform credit scoring and automatic generation of loan application documents that is mentioned in the application at pg. 3, lns. 15-17.

Dykstra is not concerned with the problem addressed by the present invention. Nor does Dykstra address maintaining a database of pending loan applications and their statuses where each party to a loan can search and modify that database consistent with their role in the transaction from client devices identified with their role.

C. Analysis

> "In determining the propriety of the Patent Office case for obviousness in the first instance, it is necessary to ascertain whether or not the reference teachings would appear to be sufficient for one of ordinary skill in the relevant art having the references before him to make the proposed substitution, combination or other modification."
> In re Lintner, 173 USPQ 560, 562 (C.C.P.A. 1972)

"In order to render a claimed apparatus or method obvious, the prior art must enable one skilled in the art to make and use the apparatus or method. Motorola, Inc. v. Interdigital Technology Corp., 43 USPQ 2d 1481, 1489 (Fed. Cir. 1997)"
(quoting Beckman Instruments, Inc. v. LKB Produkter AB, 13 USPQ 2d 1301, 1304 (Fed. Cir. 1989))

Dykstra is not obvious over Claim 1 of the invention because Dykstra does not teach one skilled in the art how to make the invention. In particular, maintaining a database of pending loan applications and their statuses where each party to a loan can search and modify that database consistent with their role in the transaction from client devices identified with their role (for example but without limitation, by allowing a mortgage broker to place a loan application up for bid, by having lenders search for applications meeting their criteria, by having lenders bid on the application, and having the broker reject or accept the bid). Nor does Dykstra suggest the advantages of the invention, or the problem solved by the invention.

Thus applicant believes, **claims 1 and 19** to be patentable. **Claim 2** depends on and further limits claim 1 and so is also believed to be patentable. **Claims 20 and 21** depend on and further limit claim 19 and so are also believed to be patentable.

The office action asserts that although **claims 3 and 4** are not disclosed by Dykstra that it would have been obvious to include these features in the method disclosed by Dykstra because they "allow for competitive performance which is beneficial to the applicant." Claims 3 and 4 depend on and further limit claim 1 that is believed to be patentable. Thus, claims 3 and 4 are also considered to be patentable.

In addition, claim 3 is directed toward modifying the database by entering bids on an application from a plurality of potential lenders. Thus, the potential lenders each can select an application and bid on that application by entering the bid into the database. The office action has not provided sufficient reasoning supporting this rejection. No known prior art supported bidding for loan applications stored in a database.

In addition, claim 4 is directed towards the loan originator reviewing the status of his loan applications and of accepting bids for that loan application.

Claim 5 depends on and further limits claim 1 that is believed to be patentable. Thus, claim 5 is also believed to be patentable.

The office action asserts that although **claim 6** is not disclosed by Dykstra that it would have been obvious to include these features in the method disclosed by Dykstra because "it would make sense that this information is made known in order to give each lender an equal opportunity to bid". Claim 6 depends on and further limits claim 1 that is believed to be patentable. Thus, claim 6 is also believed to be patentable.

In addition, Dykstra does not disclose any bidding by lenders. The Dykstra user or customer selects the lender (C4, L19–24). Dykstra does not teach or suggest multiple lenders bidding for the loan application. Thus, applicant traverses the office action's assertion that "it would make sense that this information is made known in order to give each lender an equal opportunity to bid."

The office action asserts that although **claims 9-11 and 28-30** are not disclosed by Dykstra that it would have been obvious to include these features in the method disclosed by Dykstra because "they provide necessary information about an applicant on a real-time basis". These claims respectively depend on claims 1 and 19 believed to be patentable. Thus, claims 9-11 and 28-30 are also believed to be patentable.

Claims 12 and 31 depend on and further limit claims 1 and 19 that are believed to be patentable. Thus, claims 12 and 31 are also believed to be patentable.

The office action asserts that although **claims 13 and 32** are not disclosed by Dykstra that it would have been obvious to include these features in the method disclosed by Dykstra because "it eliminates the possibility of redundancy and reduces unnecessary costs." These claims respectively depend on and further limit claims 1 and 19 that are believed to be patentable. Thus, claims 13 and 32 are also believed to be patentable.

The office action asserts that although **claims 14, 33 and 34** are disclosed by Dykstra, the office action does not provide a reference to this disclosure. Applicant has been unable to find any reference in Dykstra that indicates that the Dykstra user or customer can designate counterparties with whom they wish not to conduct business. Because Dykstra selects a single lender (either by the Dykstra user or customer) there is only a single lender involved with the transaction. Thus, Dykstra has no need for excluding lenders. Because the invention is used to place a loan application out for bid (thus there are multiple lenders bidding on an application) these claims are directed towards excluding particular lenders from bidding on the application. In addition these claims depend on and further limit claims 1 and 19 that are believed to be patentable. Thus, claims 14, 33 and 34 are also believed to be patentable.

The office action asserts that although **claims 15 and 35** are not disclosed by Dykstra that it would have been obvious to include these features in the method disclosed by Dykstra because "it affords some degree of security and protection for an individual's method of doing business." These claims respectively depend on and further limit claims 1 and 19 that are believed to be patentable. Thus, claims 15 and 35 are also believed to be patentable.

In addition, it is noted that one of the problems addressed by the invention is that it is "practically impossible for lenders to experiment with new products without broadcasting knowledge of those new products to a wide population, including their competitors" (pg. 3, ln. 24 — pg. 4, ln. 2). The invention makes now makes this possible because each lender can bid on the applications using their own experimental products without disclosing to their competitors (or brokers) what those products are. Thus, applicant believes the reasoning supplied by the office action is insufficient.

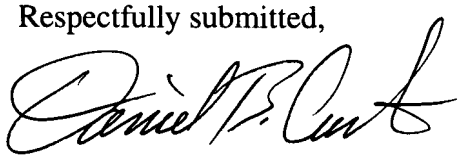
The office action asserts that although **claims 18 and 38** are not disclosed by Dykstra that it would have been obvious to include these features in the method disclosed by Dykstra because "it saves time and reduces cost to have this information on hand if and when it is needed." These claims respectively depend on and further limit claims 1 and 19 that are believed to be patentable. Thus, claims 18 and 38 are also believed to be patentable.

III. Allowable Subject Matter

Claims 7, 8, 16, 17, 22-27, 36 and 37 were objected to as being dependent upon a rejected base claim. Applicant believes that the above remarks have placed the rejected base claims in condition for allowance. Thus these claims are also allowable.

Should any additional issues remain, or if I can be of any additional assistance, please do not hesitate to contact me at (650) 947-0700.

Respectfully submitted,



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